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SIPDIS

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E.O. 12958: N/A

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SUBJECT: BANK OF CANADA PROMOTES FROM WITHIN

¶1. The Bank of Canada's April 9 announcement that Paul Jenkins will be promoted to Senior Deputy Governor reverses a recent trend of drawing on outside talent for top leadership. Jenkins, a Deputy Governor for 10 years, had been a front-runner for the SDG job in 1999, but was edged out by Malcolm Knight. (Knight left to assume the top job at the Bank for International Settlements earlier this month.) The promotion makes Jenkins a member of the BOC Board of Directors and a strong contender to eventually replace David Dodge as Governor (if Dodge does not continue when his 7-year term expires in about five years.) Dodge, too, was selected from outside the BOC.

¶2. The choice of Jenkins had been leaked earlier in the week. His promotion leaves the BOC with two Deputy Governor jobs to fill (Charles Freedman is retiring at the end of August), and both internal and external candidates are under consideration. A decision on those jobs is expected "soon" and the choice is expected to signal the BOC's future direction. Deputy Governor appointments, unlike the Governor and the Senior Deputy, do not require Cabinet approval.

¶3. Jenkin's promotion, which takes effect immediately, has been positively received and economists believe it reinforces the BOC's priorities of transparency and maintaining an aggressive stance on inflation. Jenkins has focussed on international economics (and hosted the Bank's biannual briefings for G-7 financial attaches on the Monetary Policy Report).

¶4. Jenkins, 55, joined the Bank's research department in 1972. In 1978 he transferred to the Department of Monetary and Financial Analysis, becoming Deputy Chief in 1983, Chief of the Research Department in 1984, and Advisor to the Governor in 1989. Jenkins graduated from the University of Western Ontario, and received a Masters in Political Science from the London School of Economics. He studied at Princeton from 1982-83 before returning to the Bank. He was born in St. Catharines, Ontario, and he and his wife Sheila have three children.  
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